

ASSEMBLY BILL

No. 1484

Introduced by Assembly Member Krekorian

February 23, 2007

An act to repeal and add Chapter 2 (commencing with Section 14200) of Division 6 of the Business and Professions Code, relating to trademarks.

LEGISLATIVE COUNSEL'S DIGEST

AB 1484, as introduced, Krekorian. Model State Trademark Law.

Existing law, the Trademark Law, provides for the registration of trademarks and service marks with the Secretary of State and requires an application for registration of a mark to provide specified information on its application. A registration of a mark is effective for 10 years, and may be renewed for successive 10-year periods. Existing law specifies the grounds for cancellation of and provides specified remedies for violation of a registered mark.

This bill would repeal the Trademark Law and would enact the Model State Trademark Law. The bill would expand the information required to be provided with an application for registration of a mark to include, among other things, a drawing of the mark and 3 specimens of that mark as it is actually used. The bill would also require that the application be signed and verified under penalty of perjury. By expanding the crime of perjury, the bill would impose a state-mandated local program. The bill would provide procedures for amendment of an application and, if the secretary refuses registration, would authorize the applicant to seek a writ of mandamus to compel registration. The bill would provide that registration of a mark is effective for 5 years, and may be renewed for successive 5-year periods. The bill would

expand the grounds upon which the secretary shall cancel a registration and would specify procedures for actions to compel registration or cancel a registration.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2 (commencing with Section 14200) of
2 Division 6 of the Business and Professions Code is repealed.

3 SEC. 2. Chapter 2 (commencing with Section 14200) is added
4 to Division 6 of the Business and Professions Code, to read:

5
6 CHAPTER 2. MODEL STATE TRADEMARK LAW

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8 Article 1. General Provisions

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10 14200. This chapter shall be known and may be cited as the
11 Model State Trademark Law.

12 14202. For the purposes of this chapter, the following terms
13 have the following meanings:

14 (a) “Trademark” means any word, name, symbol, or device, or
15 any combination thereof, used by a person to identify and
16 distinguish the goods of that person, including a unique product,
17 from those manufactured or sold by others, and to indicate the
18 source of the goods, even if that source is unknown.

19 (b) “Service mark” means any word, name, symbol, or device,
20 or any combination thereof, used by a person to identify and
21 distinguish the services of that person, including a unique service,
22 from the services of others, and to indicate the source of the
23 services, even if that source is unknown. Titles, character names
24 used by a person, and other distinctive features of radio or
25 television programs may be registered as service marks
26 notwithstanding that they, or the programs, may advertise the goods
27 of the sponsor.

1 (c) “Mark” includes any trademark or service mark entitled to
2 registration under this chapter, whether registered or not.

3 (d) “Trade name” means any name used by a person to identify
4 a business or vocation of that person.

5 (e) The term “person” and any other word or term used to
6 designate the applicant or other party entitled to a benefit or
7 privilege or rendered liable under the provisions of this chapter
8 includes a juristic person as well as a natural person. The term
9 “juristic person” includes a firm, partnership, corporation, union,
10 association, or other organization capable of suing and being sued
11 in a court of law.

12 (f) “Applicant” means the person filing an application for
13 registration of a mark under this chapter, and the legal
14 representatives, successors, or assigns of the person.

15 (g) “Registrant” means the person to whom the registration of
16 a mark under this chapter is issued, and the legal representatives,
17 successors, or assigns of the person.

18 (h) “Use” means the bona fide use of a mark in the ordinary
19 course of trade, and not made merely to reserve a right in a mark.
20 For the purposes of this chapter, a mark shall be deemed to be in
21 use if it is used on either of the following:

22 (1) On goods when it is placed in any manner on the goods or
23 other containers or the displays associated therewith or on the tags
24 or labels affixed thereto, or if the nature of the goods makes that
25 placement impracticable, then on documents associated with the
26 goods or their sale, and the goods are sold or transported in
27 commerce in this state.

28 (2) On services when it is used or displayed in the sale or
29 advertising of services and the services are rendered in this state.

30 (i) “Abandoned” means either of the following has occurred:

31 (1) A mark’s use has been discontinued with intent not to resume
32 that use. Intent not to resume the use may be inferred from
33 circumstances. Nonuse for two consecutive years shall constitute
34 prima facie evidence of abandonment.

35 (2) When any course of conduct of the owner, including acts of
36 omission as well as commission, causes the mark to lose its
37 significance as a mark.

38 (j) “Secretary” means the Secretary of State or the designee of
39 the Secretary of State charged with the administration of this
40 chapter.

(k) “Dilution” means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of either of the following:

(1) Competition between the owner of the famous mark and other parties.

(2) Likelihood of confusion, mistake, or deception.

(l) “Counterfeit” means a spurious trademark, service mark, collective mark, or certification mark that is identical to, or substantially indistinguishable from, a registered mark that is used on or in connection with goods or services or any labels or packaging or components.

(m) “Comparative commercial advertising” means the use of a competitor’s trademark in advertising to compare the relative qualities of the competitive goods.

Article 2. Application For Registration

14205. A mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it meets any of the following criteria:

(a) It consists of or comprises immoral, deceptive, or scandalous matter.

(b) It consists of or comprises matter that may disparage or falsely suggest a connection with persons living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute.

(c) It consists of or comprises the flag or coat of arms or other insignia of the United States of America, of any state or municipality, or of any foreign nation, or any simulation thereof.

(d) It consists of or comprises the name, signature, or a portrait identifying a particular living individual, except by the individual’s written consent.

(e) It consists of a mark that is any of the following:

(1) When used on or in connection with the goods or services of the applicant, is merely descriptive or deceptively misdescriptive of them.

(2) When used on or in connection with the goods or services of the applicant, is primarily geographically descriptive or deceptively misdescriptive of them.

1 (3) Is primarily merely a surname, provided, however, that
2 nothing in this paragraph shall prevent the registration of a mark
3 used by the applicant that has become distinctive of the applicant's
4 goods or services. The secretary may accept as evidence that the
5 mark has become distinctive, as used on or in connection with the
6 applicant's goods or services, proof of continuous use thereof as
7 a mark by the applicant in this state for the five years before the
8 date on which the claim of distinctiveness is made.

9 (f) It consists of or comprises a mark that so resembles a mark
10 registered in this state or a mark or trade name previously used by
11 another and not abandoned, as to be likely, when used on or in
12 connection with the goods or services of the applicant, to cause
13 confusion or mistake, or to deceive.

14 14207. (a) Subject to the limitations set forth in this chapter,
15 any person who uses a mark may file with the secretary, in a
16 manner complying with the requirements of the secretary, an
17 application for registration of that mark setting forth, but not
18 limited to, the following information:

19 (1) The name and business address of the person applying for
20 the registration and, if that person is a corporation or partnership,
21 the state of incorporation or the state in which the partnership is
22 organized and the names of the general partners, as specified by
23 the secretary.

24 (2) The goods or services on or in connection with which the
25 mark is used, the mode or manner in which the mark is used on or
26 in connection with the goods or services, and the class in which
27 the goods or services fall.

28 (3) The date on which the mark was first used anywhere and
29 the date when it was first used in this state by the applicant or a
30 predecessor in interest.

31 (4) A statement that the applicant is the owner of the mark, that
32 the mark is in use, and that, to the knowledge of the person
33 verifying the application, no other person has registered, either
34 federally or in this state, or has the right to use the mark either in
35 the identical form or in such near resemblance as to be likely, when
36 applied to the goods or services of the other person, to cause
37 confusion, to cause mistake, or to deceive.

38 (b) The secretary may also require a statement as to whether an
39 application to register the mark, or portions or a composite thereof,
40 has been filed by the applicant or a predecessor in interest with

1 the United States Patent and Trademark Office and, if so, the
2 applicant shall provide full particulars with respect thereto,
3 including the filing date and serial number of each application, the
4 status thereof, and, if any application was finally refused
5 registration or has otherwise not resulted in a registration, the
6 reasons for the refusal or result.

7 (c) The secretary may also require that a drawing of the mark,
8 complying with requirements specified by the secretary, accompany
9 the application.

10 (d) The application shall be signed and verified under penalty
11 of perjury by the applicant or by a member of the firm or an officer
12 of the corporation or association making application.

13 (e) The application shall be accompanied by three specimens
14 showing the mark as actually used.

15 (f) The application shall be accompanied by the application fee
16 payable to the secretary as set forth in subdivision (a) of Section
17 12193 of the Government Code.

18 14209. (a) Upon the filing of an application for registration
19 and payment of the application fee, the secretary may cause the
20 application to be examined for conformity with this chapter.

21 (b) The applicant shall provide any additional pertinent
22 information requested by the secretary, including a description of
23 a design mark, and may make, or authorize the secretary to make,
24 amendments to the application as may be reasonably requested by
25 the secretary or deemed by the applicant to be advisable in order
26 to respond to any rejection or objection.

27 (c) The secretary may require the applicant to disclaim an
28 unregistrable component of an otherwise registrable mark, and
29 an applicant may voluntarily disclaim a component of a mark
30 sought to be registered. No disclaimer shall prejudice or affect the
31 applicant's or registrant's rights, then existing or thereafter arising,
32 in the disclaimed matter, or the applicant's or registrant's rights
33 of registration on another application if the disclaimed matter is
34 or has become distinctive of the applicant's or registrant's goods
35 or services.

36 (d) The secretary may make amendments to the application
37 submitted by the applicant upon the applicant's agreement, or may
38 require the submission of a new application.

39 (e) If an applicant is found not to be entitled to registration, the
40 secretary shall so advise the applicant and shall advise the applicant

1 of the reasons. The applicant shall have a reasonable period of
2 time specified by the secretary in which to reply or to amend the
3 application, in which event the application shall be reexamined.
4 This procedure may be repeated until the secretary finally refuses
5 registration of the mark or the applicant fails to reply or amend
6 within the specified period, whereupon the application shall be
7 deemed to have been abandoned.

8 (f) If the secretary finally refuses registration of the mark, the
9 applicant may seek a writ of mandamus to compel registration. A
10 writ may be granted, but without costs to the secretary, on proof
11 that all statements in the application are true and that the mark is
12 otherwise entitled to registration.

13 (g) In the instance of applications concurrently being processed
14 by the secretary seeking registration of the same or confusingly
15 similar marks for the same or related goods or services, the
16 secretary shall grant priority to the applications in the order of
17 filing. If a prior-filed application is granted a registration, the other
18 application or applications shall then be rejected. Any rejected
19 applicant may bring an action for cancellation of the registration
20 upon grounds of prior or superior rights to the mark, in accordance
21 with the provisions of Section 14230.

22 Article 3. Certificate of Registration

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25 14215. (a) Upon compliance by the applicant with the
26 requirements of this chapter, the secretary shall cause a certificate
27 of registration to be issued and delivered to the applicant. The
28 certificate of registration shall be issued under the signature of the
29 secretary and the seal of the state, and shall show the following
30 information:

31 (1) The name and business address and, if a corporation, the
32 state of incorporation, or if a partnership, the state in which the
33 partnership is organized and the names of the general partners, as
34 specified by the secretary, of the person claiming ownership of
35 the mark.

36 (2) The date claimed for the first use of the mark anywhere and
37 the date claimed for the first use of the mark in this state.

38 (3) The class of goods or services and a description of the goods
39 or services on or in connection with which the mark is used.

40 (4) A reproduction of the mark.

1 (5) The registration date and the term of the registration of the
2 mark.

3 (b) Any certificate of registration issued by the secretary under
4 the provisions of this chapter or a copy thereof duly certified by
5 the secretary shall be admissible in evidence as competent and
6 sufficient proof of the registration of the mark in any action or
7 judicial proceeding in any court of this state.

8 14217. (a) A registration of mark pursuant to this chapter shall
9 be effective for a term of five years from the date of registration
10 and, upon application filed within six months prior to the expiration
11 of the term, in a manner complying with the requirements of the
12 secretary, the registration may be renewed for a like term from the
13 end of the expiring term. A renewal fee, payable to the secretary,
14 shall accompany the application for renewal of the registration as
15 set forth in subdivision (c) of Section 12193 of the Government
16 Code.

17 (b) A registration may be renewed for successive periods of
18 five years in like manner.

19 (c) Any registration in force on January 1, 2008, shall continue
20 in full force and effect for the unexpired term thereof, and may be
21 renewed by filing an application for renewal with the secretary
22 that complies with the requirements of the secretary and payment
23 of the renewal fee within six months prior to the expiration of the
24 registration.

25 (d) All applications for renewal under this chapter, whether of
26 registrations made under this chapter or of registrations effected
27 under any prior act, shall include a verified statement that the mark
28 has been and is still in use and shall include a specimen showing
29 actual use of the mark on, or in connection with, the goods or
30 services with which the mark is associated.

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32 Article 4. Assignments, Changes of Name, and Other
33 Instruments
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35 14220. (a) Any mark and its registration hereunder shall be
36 assignable with the good will of the business in which the mark is
37 used, or with that part of the good will of the business connected
38 with the use of and symbolized by the mark. Assignment shall be
39 by instrument in writing duly executed and may be recorded with
40 the secretary upon the payment of the recording fee payable to the

1 secretary as set forth in subdivision (b) of Section 12193 of the
2 Government Code, who, upon recording of the assignment, shall
3 issue in the name of the assignee a new certificate for the remainder
4 of the term of the registration or of the last renewal thereof. An
5 assignment of any registration under this chapter shall be void as
6 against any subsequent purchaser for valuable consideration
7 without notice, unless it is recorded with the secretary within three
8 months after the date thereof or prior to the subsequent purchase.

9 (b) Any registrant or applicant effecting a change of the name
10 of the person to whom the mark was issued or for whom an
11 application was filed may record a certificate of change of name
12 of the registrant or applicant with the secretary upon the payment
13 of the recording fee. The secretary may issue in the name of the
14 assignee a certificate of registration of an assigned application or
15 a new certificate or registration for the remainder of the term of
16 the registration or last renewal thereof.

17 (c) Other instruments that relate to a mark registered or
18 application pending pursuant to this chapter, including, but not
19 limited to, licenses, security interests, and mortgages, may be
20 recorded at the discretion of the secretary, provided that the
21 instrument is in writing and is duly executed.

22 (d) Acknowledgment shall be prima facie evidence of the
23 execution of an assignment or other instrument and, when recorded
24 by the secretary, the record shall be prima facie evidence of the
25 execution of an assignment.

26 (e) A photocopy of any instrument referred to in subdivision
27 (a), (b), or (c) shall be accepted for recording if it is certified by
28 any of the parties thereto, or their successors, to be a true and
29 correct copy of the original.

30 31 Article 5. Records

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33 14225. The secretary shall keep for public examination a record
34 of all marks registered or renewed under this chapter, as well as a
35 record of all documents recorded pursuant to Section 14220.

36 37 Article 6. Cancellation

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39 14230. The secretary shall cancel from the register, in whole
40 or in part, any of the following:

1 (a) Any registration concerning which the secretary receives a
2 voluntary request for cancellation from the registrant or the
3 assignee of record.

4 (b) All registrations granted under this chapter and not renewed
5 in accordance with the provisions of this chapter.

6 (c) Any registration concerning a mark with regard to which a
7 court of competent jurisdiction finds any of the following:

8 (1) The registered mark has been abandoned.

9 (2) The registrant is not the owner of the mark.

10 (3) The registration was granted improperly.

11 (4) The registration was obtained fraudulently.

12 (5) The mark is or has become the generic name for the goods
13 or services, or a portion thereof, for which it has been registered.

14 (6) The registered mark is so similar to a mark registered by
15 another person in the United States Patent and Trademark Office
16 prior to the date of the filing of the application for registration by
17 the registrant hereunder, and not abandoned, as to be likely to
18 cause confusion or mistake, or to deceive. However, should the
19 registrant prove that the registrant is the owner of a concurrent
20 registration of a mark in the United States Patent and Trademark
21 Office covering an area including this state, the registration
22 hereunder shall not be cancelled for that area of the state.

23 (d) Cancellation of a registration ordered on any ground by a
24 court of competent jurisdiction.

25 Article 7. Classification

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28 14235. The secretary shall by regulation establish a
29 classification of goods and services for convenience of
30 administration of this chapter, but not to limit or extend the
31 applicant's or registrant's rights, and a single application for
32 registration of a mark may include any or all goods upon which,
33 or services with which, the mark is actually being used indicating
34 the appropriate class or classes of goods or services. When a single
35 application includes goods or services that fall within multiple
36 classes, the secretary may require payment of a fee for each class.
37 To the extent practical, the classification of goods and services
38 should conform to the classification adopted by the United States
39 Patent and Trademark Office.

Article 8. Fraudulent Registration

14240. Any person who, either for himself or herself or on behalf of another person, procures the filing or registration of any mark pursuant to this chapter by knowingly making any false or fraudulent representation or declaration, either orally or in writing, or by any other fraudulent means shall be liable to pay all damages sustained as a consequence of the filing or registration, to be recovered by or on behalf of the party injured thereby in any court of competent jurisdiction.

Article 9. Violations

14245. (a) A person who does any of the following shall be subject to a civil action by the owner of the registered mark, and the remedies provided in Section 14250:

(1) Uses, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of a mark registered under this chapter in connection with the sale, distribution, offering for sale, or advertising of any goods or services on or in connection with which the use is likely to cause confusion or mistake, or to deceive as to the source of origin of such goods or services.

(2) Reproduces, counterfeits, copies, or colorably imitates any such mark and applies the reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale or other distribution in this state of any goods or services. The registrant shall not be entitled under this paragraph to recover profits or damages unless the acts have been committed with knowledge that the mark is intended to be used to cause confusion or mistake, or to deceive.

(3) Knowingly facilitate, enable, or otherwise assist a person to manufacture, use, distribute, display, or sell any goods or services bearing any reproduction, counterfeit, copy, or colorable imitation of a mark registered under this chapter, without the consent of the registrant. Any action by a person is presumed to have been taken knowingly following delivery to that person by personal delivery, courier, or certified mail return receipt requested, of a written demand to cease and desist that is accompanied by all of the following:

1 (A) A copy of the certificate of registration and of any claimed
2 reproduction, counterfeit, copy, or colorable imitation of the
3 registered mark.

4 (B) A statement, made under penalty of perjury, by the owner
5 of the registered mark, by an officer of the corporation that owns
6 the registered mark, or by legal counsel for the owner of the
7 registered mark, that includes all of the following:

- 8 (i) The name or description of the infringer.
9 (ii) The product or service and mark being or to be infringed.
10 (iii) The dates of the infringement.
11 (iv) Any other reasonable information to assist the recipient to
12 identify the infringer.

13 (4) The presumption created by paragraph (3) does not affect
14 the owner's burden of showing that there was a violation of this
15 chapter.

16 (5) Paragraph (3) is applicable to a landlord or property owner
17 who provides, rents, leases, or licenses the use of real property
18 where any goods or services bearing any reproduction, counterfeit,
19 copy, or colorable imitation of a mark registered pursuant to this
20 chapter are sold, offered for sale, or advertised, where the landlord
21 or property owner had control of the property and knew, or had
22 reason to know, of the infringing activity.

23 (b) Notwithstanding any other provision of this chapter, the
24 remedies given to the owner of the right infringed pursuant to this
25 section are limited as follows:

26 (1) If an infringer or violator is engaged solely in the business
27 of printing the mark or violating matter for others and establishes
28 that he or she was an innocent infringer or innocent violator, the
29 owner of the right infringed is entitled only to an injunction against
30 future printing of the mark by the innocent infringer or innocent
31 violator.

32 (2) If the infringement complained of is contained in, or is part
33 of, paid advertising matter in a newspaper, magazine, or other
34 similar periodical, or in an electronic communication as defined
35 in subsection (12) of Section 2510 of Title 18 of the United States
36 Code, the remedies of the owner of the right infringed against the
37 publisher or distributor of the newspaper, magazine, or other
38 similar periodical or electronic communication shall be confined
39 to an injunction against the presentation of the advertising matter
40 in future issues of the newspapers, magazines, or other similar

1 periodicals or in further transmissions of the electronic
2 communication. The limitation of this subdivision shall apply only
3 to innocent infringers and innocent violators.

4 (3) Injunctive relief is not available to the owner of the right
5 infringed with respect to an issue of a newspaper, magazine, or
6 other similar periodical or electronic communication containing
7 infringing matter if restraining the dissemination of the infringing
8 matter in any particular issue of the periodical or in an electronic
9 communication would delay the delivery of the issue or
10 transmission of the electronic communication after the regular
11 time for delivery and the delay would be due to the method by
12 which publication and distribution of the periodical or transmission
13 of the electronic communication is customarily conducted in
14 accordance with sound business practice, and not to any method
15 or device adopted for the evasion of this section or to prevent or
16 delay the issuance of an injunction or restraining order with respect
17 to the infringing matter.

18 (c) An innocent infringer or innocent violator is any person
19 whose acts were committed without knowledge that the mark was
20 intended to be used to cause confusion, mistake, or to deceive.

21 (d) Any person who uses or unlawfully infringes upon a mark
22 registered under this chapter or under Title 15 of the United States
23 Code, other than in an otherwise noninfringing manner, either on
24 the person's own goods or services or to describe the person's own
25 goods or services, irrespective of whether the mark is used
26 primarily as an ornament, decoration, garnishment, or
27 embellishment on or in products, merchandise, or goods, for the
28 purpose of enhancing the commercial value of, or selling or
29 soliciting purchases of, products, merchandise, goods, or services,
30 without prior consent of the owner of the mark, shall be subject
31 to an injunction against that use by the owner of the mark. Nothing
32 in this section shall be construed to prohibit comparative
33 commercial advertising.

34 14247. (a) The owner of a mark that is famous in this state
35 shall be entitled, subject to the principles of equity and upon such
36 terms as the court seems reasonable, to an injunction against
37 another person's commercial use of a mark or trade name, if such
38 use begins after the mark has become famous and causes dilution
39 of the distinctive quality of the mark, and to obtain such other
40 relief as is provided in this section. In determining whether a mark

1 is distinctive and famous, a court may consider factors including,
2 but not limited to, all of the following:

3 (1) The degree of inherent or acquired distinctiveness of the
4 mark in this state.

5 (2) The duration and extent of use of the mark in connection
6 with the goods and services with which the mark is used.

7 (3) The duration and extent of advertising and publicity of the
8 mark in this state.

9 (4) The geographical extent of the trading area in which the
10 mark is used.

11 (5) The channels of trade for the goods or services with which
12 the mark is used.

13 (6) The degree of recognition of the mark in the trading areas
14 and channels of trade in this state used by the mark's owner and
15 the person against whom the injunction is sought.

16 (7) The nature and extent of use of the same or similar mark by
17 third parties.

18 (8) Whether the mark is the subject of a state registration in this
19 state, or a federal registration under the Act of March 3, 1881, or
20 under the Act of February 20, 1905, or on the principal register.

21 (b) In an action brought under this section, the owner of a
22 famous mark shall be entitled only to injunctive relief in this state,
23 unless the person against whom the injunctive relief is sought
24 willfully intended to trade on the owner's reputation or to cause
25 dilution of the famous mark. If willful intent is proven, the owner
26 shall also be entitled to the remedies set forth in Section 14250,
27 subject to the discretion of the court and the principles of equity.
28 The following shall not be actionable under this section:

29 (1) Fair use of a famous mark by another person in comparative
30 commercial advertising or promotion to identify the competing
31 goods or services of the owner of the famous mark.

32 (2) Noncommercial use of the mark.

33 (3) All forms of news reporting and news commentary.

34 14250. Any owner of a mark registered under this chapter may
35 proceed by suit to enjoin the manufacture, use, display, or sale of
36 any counterfeits thereof and any court of competent jurisdiction
37 may grant injunctions to restrain the manufacture, use, display, or
38 sale as may be deemed just and reasonable, and shall require the
39 defendants to pay to the owner up to three times their profits from,
40 and up to three times all damages suffered by reason of, the

1 wrongful manufacture, use, display, or sale. If, in any action
2 brought under this section, the court determines that any goods in
3 the possession of or services offered by a defendant bear or consist
4 of a counterfeit mark, the court shall order the destruction of any
5 goods, labels, packaging or any components bearing the counterfeit
6 mark and all instrumentalities used in the production of the
7 counterfeit goods, including, but not limited to, any items, objects,
8 tools, machines or equipment or, after obliteration of the counterfeit
9 mark, the court may dispose of those materials by ordering their
10 transfer to the state, a civil claimant, an eleemosynary institution,
11 or any appropriate private person other than the person from whom
12 the materials were obtained.

13 (b) The court, upon motion or ex parte application by a plaintiff
14 in a suit to enjoin the manufacture, use, display, or sale of
15 counterfeits, may order seizure of any goods, labels, packaging or
16 any components bearing the counterfeit mark and all
17 instrumentalities used in the production of the counterfeit goods,
18 including, but not limited to, any items, objects, tools, machines
19 or equipment from persons manufacturing, displaying for sale, or
20 selling the goods, upon a showing of good cause and a probability
21 of success on the merits and upon the posting of an undertaking
22 pursuant to subdivision (e). If it appears from the ex parte
23 application that there is good reason for proceeding without
24 notification to the defendant, the court may, for good cause shown,
25 waive the requirement of notice for the ex parte proceeding. The
26 order of seizure shall specifically set forth all of the following:

27 (1) The date or dates on which the seizure is ordered to take
28 place.

29 (2) A description of the counterfeit goods to be seized.

30 (3) The identity of the persons or class of persons to effect
31 seizure.

32 (4) A description of the location or locations at which seizure
33 is to occur.

34 (5) A hearing date not more than 10 court days after the last
35 date on which seizure is ordered at which any person from whom
36 goods are seized may appear and seek release of the seized goods.
37 Any person from whom seizure is effected shall be served with
38 the order at the time of seizure.

39 (c) Any person who causes seizure of goods that are not
40 counterfeit shall be liable in an amount equal to the following:

1 (1) Any damages proximately caused to any person having a
2 financial interest in the seized goods by the seizure of goods that
3 are not counterfeit.

4 (2) Costs incurred in defending against seizure of noncounterfeit
5 goods.

6 (3) Upon a showing that the person causing the seizure to occur
7 acted in bad faith, expenses, including reasonable attorneys' fees
8 expended in defending against the seizure of any noncounterfeit
9 or noninfringing goods.

10 (4) Punitive damages, if warranted.

11 (d) A person entitled to recover pursuant to subdivision (c) may
12 seek a recovery by cross-claim or motion made in the trial court
13 and served pursuant to Section 1011 of the Code of Civil
14 Procedure. A person seeking a recovery pursuant to this section
15 may join any surety on an undertaking posted pursuant to
16 subdivision (b), and any judgment of liability shall bind the person
17 liable pursuant to subdivision (c) and the surety jointly and
18 severally, but the liability of the surety shall be limited to the
19 amount of the undertaking.

20 (e) The court shall set the amount of the undertaking required
21 by subdivision (b) in accordance with the probable recovery of
22 damages, costs, and expenses under subdivision (c) if it were
23 ultimately determined that the goods seized were not counterfeit.

24 (f) Any person entitled to recover under subdivision (c) may,
25 within 30 days after the date of seizure, object to the undertaking
26 on the grounds that the surety or the amount of undertaking is
27 insufficient.

28 (g) The motion or application filed pursuant to subdivision (b)
29 shall include a statement advising the person from whom the goods
30 are seized that the undertaking has been filed, informing him or
31 her of his or her right to object to the undertaking on the grounds
32 that the surety or the amount of the undertaking is insufficient, and
33 advising the person from whom the goods are seized that an
34 objection to the undertaking must be made within 30 days after
35 the date of seizure.

36 14252. The enumeration of any right or remedy herein shall
37 not affect a registrant's right to prosecute under any penal law of
38 this state, including, but not limited to, Section 350 of the Penal
39 Code.

1 14254. (a) Actions to require cancellation of a mark registered
2 pursuant to this chapter or in mandamus to compel registration of
3 a mark pursuant to this chapter shall be brought in the superior
4 court.

5 (b) In an action in mandamus, the proceeding shall be based
6 solely upon the record before the secretary. In an action for
7 cancellation, the secretary shall not be made a party to the
8 proceeding, but shall be notified of the filing of the complaint by
9 the clerk of the court in which it is filed and shall be given the
10 right to intervene in the action.

11 (c) In any action brought against a nonresident registrant, service
12 may be effected upon the secretary as agent for service of the
13 registrant in accordance with the procedures established for service
14 upon nonresident corporations and business entities under Sections
15 416.10 to 416.40, inclusive, of the Code of Civil Procedure, and
16 Sections 2110, 2111, and 2114 of the Corporations Code.

17 14259. Nothing herein shall adversely affect the rights or the
18 enforcement of rights in marks acquired in good faith at any time
19 within common law.

20
21 Article 10. Fees
22

23 14260. The secretary shall by regulation prescribe the fees
24 payable for the various applications and recording fees and for
25 related services. Unless specified by the secretary, the fees payable
26 herein are not refundable.

27
28 Article 11. Severability
29

30 14265. If any provision of this chapter, or the application of
31 such provision to any person or circumstance is held invalid, the
32 remainder of this chapter shall not be affected thereby.

33
34 Article 12. Miscellaneous
35

36 14270. This chapter shall not affect any suit, proceeding, or
37 appeal pending on January 1, 2008.

38 14272. The intent of this chapter is to provide a system of state
39 trademark registration and protection substantially consistent with
40 the federal system of trademark registration and protection under

1 the Trademark Act of 1946 (15 U.S.C. Sec. 1051 et seq.), as
2 amended. To that end, the construction given the federal act should
3 be examined as persuasive authority for interpreting and construing
4 this chapter.

5 SEC. 3. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 the only costs that may be incurred by a local agency or school
8 district will be incurred because this act creates a new crime or
9 infraction, eliminates a crime or infraction, or changes the penalty
10 for a crime or infraction, within the meaning of Section 17556 of
11 the Government Code, or changes the definition of a crime within
12 the meaning of Section 6 of Article XIII B of the California
13 Constitution.